

Minutes from Imperial Valley Permitting Working Group
May 4, 2005 Meeting/Phone Conference
IID Board Meeting Room 1285 Broadway
El Centro, CA

1. Attendees (In person):

Mark Etherton	IID	(480) 610-8741	mle@krsaline.com
David Lawhead	State Parks	(760) 767-4315	dlawhead@parks.ca.gov
Jurg Heuberger	County Planning	(760) 482-4236	jurgheuberger@imperialcounty.net
Reyes Romero	ICAPCD	(760) 482-4606	reyesromero@imperialcounty.net
Brad Poiriez	ICAPCD	(760) 482-4606	bradpoiriez@imperialcounty.net
Vince Signorotti	CalEnergy	(760) 351-3050	vincent.signorotti@calenergy.com
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Richard Cabanilla	I.C. P&DS	(760) 482-4313	richardcabanilla@imperialcounty.net
Michel Remington	IID	(760) 351-2577	mdremington@iid.com
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Carrie Downey	HKCF/IID	(619) 522-2040	cadowney@san.rr.com

(Phone Conference) Attendees:

Diane Gomez	BLM, PS		Diane_Gomez@ca.blm.gov
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2. After the INTRODUCTIONS, Carrie Downey reviewed the Agenda items, and commented that SDG&E was not able to attend but hoped they would be able to participate in the future meetings. She reviewed the GOALS of the Permitting Subgroup and read the Imperial Valley Study group tasking to the committee to produce a plan and schedule to complete environmental review and permitting of the transmission necessary to export the geothermal resources in the Imperial Valley. She discussed the concept that IID's planned upgrades can be phased to accommodate the geothermal build out without involving the CPUC or outside agencies for CEQA review. IID would be its own CEQA lead. However, since SDG&E, and Edison would need to seek approval from the CPUC for their portions of upgrades the goal was to bring the parties together with the outside agencies to meet their needs.

Jurg Heurberger from Imperial County Planning asked how was it decided IID would be the CEQA lead.

Carrie Downey explained that since IID's proposed project was upgrades to its existing lines, we would do our own documents. We do not need another State agency to permit upgrades to our existing lines. However, where those lines run through federal property IID would need a federal Agency to take the lead on NEPA. Additionally, who was paying for the environmental and permitting of the upgrades had yet to be determined. That would be done by the larger IV Study group. Right now IID was paying for her time, Michel's time, Juan Carlos's time and Mark Etherton's time, under the premise it is IID's upgrades that are being analyzed. However, looking at the maps that were sent out to the group depicting alternative 2a including the SDG&E 500 kV line, we could continue to flesh out what agencies could be responsible, cooperating or if necessary co-leads. The group did not reach consensus but will discuss further next meeting.

Jurg Heuberger said the County would need to be involved as a lead agency. County had to amend CDCA and transmission component of geothermal element and there was no opposition. "Supervisors have to update the geothermal and transmission plan & the Desert plan amendment. Should be EIR/EIS on a programmatic level. No one is going to build unless Board of Supervisors updates the General Plan."

Michel Remington and Carrie Downey discussed that the plan might not need updates now depending on the development schedule of the Geothermals. IID's upgrades would be dependent on the need to export energy. At what point would regional upgrades be necessary to get the power from the interconnection points into the ISO?

The group discussed learning lessons from the Tehachapi project but realizing the very real differences. Juan Carlos Sandoval pointed out that Edison needed to build remote transmission to get that energy out. In this case the geothermals are imbedded in an existing control area, IID, and can be brought to the interconnection points by just upgrading the IID existing lines for the most part.

The group discussed whether all the geothermal energy would be coming from CalEnergy at the Salton Sea. What about other locations? Mark Etherton responded that the technical studies looked at 400 MW coming from the East Mesa Area that could be either geothermal or solar.

Jurg Heuberger expressed concern that the proposed line would/could be used to bring energy from Mexico. Carrie Downey said that was a very good question, and we can address that in our next presentation from Juan Carlos Sandoval, on the proposed paths for export, Alternative 2(a) in the Study group analysis.

2. IID TRANSMISSION PLANS TO EXPORT GEOTHERMAL POWER - Juan Carlos Sandoval briefed alternative 2(a). IID would be upgrading its collector system built almost 20 years ago to export geothermal energy. Energy is currently being wheeled to Southern California Edison (Edison) and the California Independent system Operator (ISO) at Coachella Valley Substation and Mirage/Devers Substations.

The new plan would be using existing Rights of Way to complete the loop from Highland to El Centro. That would be an upgrade of an existing 161 kV to 230 kV, for the L Line. Going east to the interconnection with the western Area Power Administration (Western) interconnection we would need to upgrade the F Line to deliver to the Blythe/Knob area. The only transmission line that would need a new right of way would be the Highline to Pilot Knob, the A line.

The Bannister Station, close to Westmorland and Avenue 58, is imbedded in the Anzo Borrego Park, the new transmission line beyond IID's RoW would need to be permitted to deliver to SDG&E. Imperial Valley Substation is the congested path so SDG&E needs the 500 kV line to get new Energy out. IID considers our plan reliable because based on redundancy. IID can deliver full amount of energy to SDG&E and Edison. The added benefit of SDG&E's 500 kV line is relieving the congestion at IV. IID's obligation with our transmission plan is to deliver energy at our Boundary lines – currently IV, Mirage/Devers. Study also includes this new San Felipe /Narrows substation. We could/would work with SDG&E on their new 500 kV plan to interconnect there. The south of the border generators negotiated with SDG&E for their own interconnection at the IV Substation. We have been affected by that generation.

Carrie Downey added that San Diego's 500 kV project from Imperial Valley is their decision.

Someone inquired if the outside buildups are part of the purpose of this group. Carrie Downey responded yes and no. IID will upgrade our system and a small portion of our line to the new substation at San Felipe in the desert because we have that right of way. The timing issue is important to IID. What needs to be upgraded and when.

Jurg Heuberger stated that Glenn Steiger [Manager IID Energy Department] at a meeting with 2 IID Directors and 2 County Supervisors, said a switching device is being installed to control energy from south of the border. Juan Carlos said that is the Phase Shifter that is part of the Path 49 upgrades. Vince Signorotti explained that SDG&E would bring in more from energy at IV if they had more capacity. Juan Carlos explained that they are limited to up to 1100 MW because of transmission constraints. The generators have a contract for 500 MWs with Mexico. They are limited to 500 MW from IV to Migel. The overload of the IV transformer means 100 max. Mark Etherton explained that typically only 700 MW can flow because of operating conditions.

This study group is for transmission upgrades from East to West. Jurg Heuberger said "Our scare is your being able to have more capacity on that line, can take more from Mexico."

Michel Remington stated that IID is proposing these things for reliability of our system and to get the energy where it needs to go. We understand that the County says "But by God, not from Mexico." We can discuss. It is not a part of this group to decide that. We can't.

Reyes Romero, stated the Board is not opposed to importing power from anyone as long as meet California emission standards. IID wants to support plants being built that would pay to make IID system more reliable.

Carrie Downey explained, "That came up at the last Step meeting. Michel hit the nail on the head. No matter who builds the generation, it raises reliability issues in our system. We are a control area. If someone asks for transmission we have to honor the request."

Mark Etherton added," SDG&E has been lobbying to get support for their 500 kV line stating they want to comply with the renewable portfolio standards and need the line to bring energy."

3. CAL ENERGY UPDATE - The group moved to discuss CalEnergy's time frame for bringing geothermal plants on line. Vince Signorotti stated, " First thing that needs to happen is we have to get Unit 6 built. We think the resource is there for Unit 7." First we need a contract to take electricity, need to do environmental review. Go through the process to submit application to CEC. Goal to bring Unit 6 on-line in March of 2008. Unit 7 could be on line 2010-2011 at the earliest with all the caveats. We need a market analysis. We will have something to submit to you. IID would have to say what upgrades to IID system necessary. Most recent analysis of Salton sea Field is 2300 MW. Currently using 340 so 2000 left. We need to do delineation drilling though. Have to have absolute certainty resource is there. Need to convince someone to lend us \$350 million.

The hold up on Unit 6 is cost. We have a grade A off taker. We couldn't ask for a better partner than IID. We're addressing the cost issue. We can't control some things. Can't control price of concrete, steel, titanium. Have some ideas how we can go forward. We are working with elected officials on Production Tax Credits. We can't go forward without credits. CE controls core of Salton Sea. Other companies could lease property but not likely they would. North and East of Brawley there are other areas with commercial potential but none with proven potential that Salton Sea has.

Vince has had conversation with Ormat folks. Their expansion now is probably all they can get. 10 MW in east Mesa and 10 MW in Heber. For planning purposes don't think any more will come from other locations. Carrie reminded everyone she had sent out the CEC staff report on geothermal potential in California last week. Vince said that there is an individual attempting to put together a plan for west of the Salton Sea.

4. PHASING THE IMPROVEMENTS - The group moved on to discuss how to define the project for the environmental reports. IID is proposing SDG&E line not be used to get green energy out. IID will deliver to San Felipe. Don't see need to capture 500 kV line as part of this project. County asked if someone was pushing it to be. SDG&E presented it at STEP but not part of the IV study group studies. Carrie said if SDG&E wants to include it, the project becomes that much bigger because it would be all new construction. IID's upgrades are almost all on existing RoWs. Mexico issue they would have to deal with on their own.

Andrew Barnsdale said, “We would be interested in Nexus and Purpose & Need. If there were take away capacity at end of project without upgrades that would be important to know. If no capacity at interconnection & SDG&E has to upgrade to get power than have to be part of the project.”

Juan Carlos explained that we could deliver to IV but recognize something needs to be built beyond our point of delivery. San Diego supports our completing the transmission lines up to Narrows.

Andrew said if there is a need for upgrades beyond the IID interconnection, how quickly do they need to occur? Farther out more speculative, nearer term less speculative. Gets to the kind of document – programmatic or product specific.

Juan Carlos said he learned from SDG&E that their schedule was 5 years, 2010-2011. Carrie said if we built line to Coachella Valley – they could get it there. Juan Carlos said 1st phase is bundling from Coachella Valley to Mirage/Devers. Problem is what upgrades need to happen in Edison to accept. They need to do the study. Current level at max. We need to relieve. IID’s time frame, assuming have cooperation from Edison could do in 2 years if SDG&E wants to import the 215 in conjunction with the CalEnergy schedule. IID’s transmission needs for native load – need to complete the loop. IV to Dixieline in 3 year plan to serve native load and reliability. Highline to EC in 5-year plan. Juan Carlos said IID can currently export 225 MW to IV now. Beyond this point no capacity available. Up to Edison, Coachella Valley-Mirage maxed at 800 MW. Currently negotiating with Edison to increase that export capability. No extra capacity on this line. We are capable to wheel all 2000 MW if complete all proposed upgrades.

We would add another conductor on 230 kV line. Dark Blue line would have to be upgraded/reconductored. Current rating south to north is 600 MW. If we increase conductor size can get 1600 MW total transfer capability from current 800 MW. Once it gets to Edison need to identify upgrades. Looked at proposed upgrades west of Devers in their line. Currently beyond IV have 230 kV bundled conductor to CFE. Three radial lines to South of Border generators with connection to CFE system. Also have connection to SWPL – 500 kV – 1200 capacity.

SDG&E limited in connection to outside world. Need to improve reliability to get separate outside access. SDG&E made presentation to STEP. They analyzed 10 alternatives on how to get from North Jila to East to West either 230 or 500 kV lines. Although they looked at a line from Arizona and some through Mexico, they were not preferred. The one in the dotted blue is their preferred route. It’s still starting in IV so their imports would be limited from South. Geos from IV or Mexican generation. IV is single largest contingency.

Carrie reminded the group that IID is not attempting to speak for SDG&E. We are just telling the group what they have said at other forums. The group moved to discussing how we could phase project. What could IID do in phase 1?

5. ENVIRONMENTAL DOCUMENTATION - Michel Remington stated that any CEQA document needs to discuss growth-inducing impacts. Juan Carlos informed the group "We have been sharing information with neighboring utilities. They have been sharing their necessary upgrades."

Andrew Barnsdale asked, "Would IID need new upgrades?"

IID currently has 1600 MW of capacity from Midway to Coachella. Coachella Valley to Mirage Devers needs to be upgraded. Plan was being devised to deliver to other areas besides Edison. It would put all eggs in one basket. Based on redundancy. ISO would be out 1200 MW.

Andrew said, so it has a dual purpose, get power out from Geos and reliability to system. The North end reconductoring not problematic.

Lynda Kastoll, said we would need to do a plan amendment for expanding the existing right of way from Bannister. We have no North/South Corridor in plan. We can do at same time as CEQA and NEPA.

Group agreed that whether it was a programmatic document with tiering off, we need to come out with a document that doesn't get challenged. Jurg Heuberger said, "Can't get a way with not analyzing energy from Mexico." Michel added, "Even if we just do it in cumulative, if SDG&E has documentation in public domain. Will the document focus on IID upgrades? Do we need to bring everything in? We can address the others in cumulative."

Juan Carlos summed it up – We initiate phase 1 to increase export capability to ISO by bundling conductors from Coachella Valley to Mirage/Devers. In conjunction we need to complete the loop from Highline to El Centro. SDG&E's timing for the 500 kV line is 5 years.

The group then discussed making the 1st phase Juan Carlos outlined above part of the programmatic document. The rest would be discussed in the cumulative because of the time frames for necessary permitting, etc. State Parks would prefer one document so don't have to analyze 2. County was comfortable with joint document including the CDCA amendment. If going to be a programmatic, CPUC would need to be responsible agency. Group discussed IID having co-leads, may be prudent.

The group decided to discuss the nature of our recommendations more at the next meeting. The group wanted to hear the thoughts of SDG&E and Dave Olsen, who reportedly did not want a programmatic EIR as the recommendation.

6. TASKS for next meeting:

1. IID will get a topo map of the existing Borrego Springs Right of Way.

2. Carrie Downey will insure that SDG&E has a representative at the meeting, and that Edison is invited as well.

7. FUTURE MEETINGS:

The group decided they liked having both options, in person meetings for those in El Centro, and phone conference hook-ups for those that couldn't attend. The group decided the schedule was unnecessarily aggressive, so the next meeting on the 11th was cancelled, and the group would next meet on the 18th. Because some people were on the phone, longer meetings are harder. We will keep the 10:30-2:30 spot, but if we can end earlier we will try. We will bring in lunch for those in El Centro on the 18th.